NORTH CENTRAL REGIONAL TRANSIT DISTRICT
(NCRTD)

FINANCE REGIONAL COORDINATION AND CONSOLIDATION SUBCOMMITTEE
AGENDA (Revised)
Friday, February 18, 2011
9:00 a.m. - 11:00 a.m.
NCRTD Conference Room
3600 Rodeo Lane, Suite B-6
Santa Fe, NM 87507

CALL TO ORDER:
Roll Call

APPROVAL ITEM:

A. **FY 2011 Budget and Funding Strategies: Approval of a Consolidated Budget for Recommendation to Board** *Sponsors:* Josette Lucero, NCRTD Executive Director, Linda Trujillo, NCRTD Service Development Manager, and Pat Lopez, NCRTD Financial Analyst.
- Narrative for Consolidated Budget and Cost Allocation *Attachment*
- Cost Allocation for July 2010 *Attachment*
- Cost Allocation for Aug. 2010 *Attachment*
- Cost Allocation for Sept. 2010 *Attachment*
- Cost Allocation for July- Sept. 2010 *Attachment*

PRESENTATION ITEM:

B . **Presentation on NCRTD Funding: Proposed Methodology** *Sponsors:* Josette Lucero, NCRTD Executive Director and Tony Mortillaro. *Attachment to be e-mailed tomorrow*

DISCUSSION ITEM:

C. **Status of 2009 Financial Audit** *Sponsor:* Josette Lucero, NCRTD Executive Director and Kelly Muniz, NCRTD Financial Manager.

MATTERS FROM THE SUBCOMMITTEE

NEXT FINANCE REGIONAL COORDINATION AND CONSOLIDATION MEETING:
March 18, 2011 at 9:00 am.

ADJOURN

Persons with disabilities in need of accommodations, please contact the NCRTD's office at 505-438-3257 five (5) working days prior to the meeting date.

North Central Regional Transit District (NCRTD)

Minutes from the Finance-Regional Consolidation and Consolidation Sub-Committee Meeting
February 18, 2011
9:00 AM- 11:00 pm
NCRTD Conference Room
Santa Fe, NM 87507

NCRTD Chairman, Jacob Caldwell asked for roll call to be taken on February 18, 2011:

Members Present:

Taos County	Jacob Caldwell, Finance Subcommittee Chairman
City of Santa Fe	Rosemary Romero, NCRTD Chairwoman
Rio Arriba County	Commissioner Barney Trujillo
Los Alamos County	Councilor Michael Wismer
City of Espanola	Councilor Robert J. Seeds
Santa Fe County	Penny Ellis-Green

Members Absent:
Ohkay Owingeh Pueblo
San Ildefonso Pueblo
Pojoaque Pueblo
Tesuque Pueblo
Santa Clara

NCRTD Staff Members Present:
Josette Lucero, Executive Director
Tony Mortillaro
Jack Valencia, Transit Project Manager
Linda Trujillo, Service Development Manager
Kelly Muniz, Financial Manager
Pat Lopez, Financial Analyst
Cynthia Halfar, Executive Assistant

Guests:
Jon Bulthuis, City of Santa Fe
Carol Raymond, City of Santa Fe Transit Advisory Board

MEETING:
At 9:10 am, NCRTD Chairwoman Romero welcomed new board member Commissioner Barney Trujillo. She then gave an overview of the subcommittee's purpose and history. She stated that Mr. Caldwell was the new Chair of the subcommittee. Chairwoman Romero also explained the background of former Finance Subcommittee Chairman, Tony Mortillaro and the role he has in the current administration of the NCRTD. Mr. Mortillaro is under contract with the NCRTD to help with both administrative and financial policies.

Chairwoman Romero then explained that as a working subcommittee, discussion would be among subcommittee members only, among those at the table. Public discussion would not have a forum.

Councilor Wismer interjected that he disagreed. For Los Alamos, staff is to help.

Chairman Caldwell said that his desire was to see where discussion went today, how things progressed. He then introduced himself. As new County Manager of Taos, he warned that he will likely have serious problems in attending in person these meetings of the subcommittee. The Chairman hoped that Board Member Daniel Barrone would be able to represent Taos County for the NCRTD on occasion, but cautioned that Commissioner Barrone was also time constrained. He then thanked the subcommittee for their trust. Chairman Caldwell then said that he wished to wait a few more minutes for the member from Santa Fe County to arrive.

In the meantime, NCRTD Chairwoman Romero added that there were also new tribal members, specifically from Santa Clara and possibly Ohkay Owingeh. Chairwoman Romero was working towards getting new members, and particularly the tribal members informed and involved in NCRTD issues.

At 9:10 am Chairman Caldwell asked the executive assistant to take a roll call. Those present are listed above.

Chairman Caldwell introduced agenda item A. and passed the floor to the Executive Director.

Agenda Item A: FY 2011 Budget and Funding Strategies: Approval of a Consolidated Budget for Recommendation to the Board

Ms. Lucero summarized the attached narrative for the new members. She then handed the discussion over to Ms. Trujillo, who gave an overview of Budget Option 6, which was previously introduced to the subcommittee and upon which this agenda item was based on. She explained that the current system of accounting was extremely labor intensive for staff.

Accounting involved the breaking down of expenditures and revenues into 11 different ways. There are almost 200 distributions of funds for staff. This is not cost efficient. Ms. Trujillo added that funds relating to 5311 and 5316 cannot be a part of the total pot that is being

proposed, because of the federal reporting required.

NCRTD Chairwoman Romero asked if they follow the same budget process.

Ms. Trujillo replied that they do. The funding code can be tracked to the DOT, but it follows the same methodology. She repeated that there was an overwhelming need to reduce the number of fund accounts. As an example, in the Espanola office, it may take up to two days to code a fuel bill for processing due to the splitting of the bill into routes for charging. As she did on January 21st, Ms. Trujillo once again recommended, on behalf of staff, that the NCRTD implement the same cost allocation method that is currently being used by Santa Fe County and Los Alamos County.

Ms. Trujillo then explained the quarterly example in the board pack. All expenditures were broken down into vehicle mile, vehicle hour, and vehicle-fixed cost. She also pointed out that there is a spare vehicle ratio that gets spread out among all the routes.

Ms. Lucero asked the Chairman if the floor could be opened for questions. The Chairman asked the subcommittee if there were any questions.

NCRTD Chairwoman Romero asked if the numbers accounted for demand response.

Ms. Trujillo replied "No they did not".

Chairman Caldwell wished for the subcommittee to understand that the agenda item would present a significant change. Staff had worked hard on the methodology and he was confident in the methodology. But there would be ramifications, especially among the entities that were new.

Ms. Lucero said that she has indeed been asked by members "What is this going to look like?" Mr. Mortillaro's item B. on the agenda would seek to answer that question. Her recommendation was that the discussion continue to go forward with item A. and then address item B.

Chairman Caldwell asked, "Just to clarify, it is staff's recommendation to go to the full board with the consolidated budget?"

Ms. Lucero replied, "Yes".

Chairman Caldwell asked, "But you're not asking us to make this decision today?"

Ms. Lucero suggested that the subcommittee listen to the presentation before deciding whether to move the decision forward.

Councilor Wismer asked if the presentation represented what was approved in the service plan.

Ms. Lucero said that "Yes, and for Los Alamos County it will be for the internal routes." Councilor Wismer asked for clarification. "So the pool would be aggregate, the first paid out would be those in the service plan and then if there was leftover, it would get distributed among members?"

Chairman Caldwell cautioned that he was blending item A. with item B. And then he clarified that there would be a uniform system for monitoring costs and benefits for each route according to a formula. Item A. and B. go together.

Councilor Wismer explained that, although he was not a finance person he had doubts that this system would be easier. It seemed complex to a non-accountant.

Ms. Lucero asked if Mr. Lopez could be asked to explain how it would be easier.

Mr. Lopez showed a budget that was 120 pages long. He described a vast number of cost centers and the complex accounting required for each journal entry and purchase order, for example.

Councilor Wismer asked "Aren't your cost centers driven by specific routes?"

Mr. Lopez replied that yes, the NCRTD still wanted to determine the cost of every route, but that that would be still be in the cost allocation method.

Ms. Lucero supported this statement and said that this was what the city of Santa Fe and Los Alamos County was doing. It was the standard and is approved by the FTA. This was the direction from the Subcommittee.

Councilor Wismer asked "You still have the same number of cost centers?"

Mr. Lopez responded, "No, there would be fewer. There would be just one budget. Instead of having budgets for 22 routes and four counties, it would just be one budget."

At this point, Carol Raymond stood to ask a question.

Chairwoman Romero replied that the request would be out of order.

Chairman Caldwell said that the Subcommittee may be able to return to the question at a later time.

Ms. Lucero requested to return to describing what funding would like. She then introduced Mr. Mortillaro and his experience with the RTD since day one. His presentation would cover options within the consolidated budget.

Agenda Item B: Presentation on NCRTD Funding: Proposed Methodology

Mr. Mortillaro thanked Ms. Lucero and said his presentation focused on how the funds get re-distributed back according to the approved service plan. He said that the routes have been

deemed regional in nature and that it was the board and staff's recommendation that they be

funded. He said the goal is to achieve some consistency, instead of numbers being all over the place. Staff has come up with some ideology to drive the methodology. Mr. Mortillaro stressed to the Subcommittee that the options presented in his handout were drafts only and he wished to discuss and get input. It is the process, money gets pooled and then its dispersal occurs through representatives of local bodies and communities. Mr. Mortillaro also expressed that it was not an easy process. It was hard and careful exchanges need to be made.

Ms. Lucero said that yes, it has been hard to figure out. But from staff's perspective, there are eleven different entities. Staff has been hired to have a regional perspective. The NCRTD has been successful in terms of forging new ground. How to solve conflicts surrounding funds has been our biggest challenge. Ms. Lucero stressed that staff has and would take direction from the subcommittee and board.

Mr. Mortillaro then summarized the charts on page four of his document. He explained that there was simple methodology in the chart. Mr. Mortillaro also pointed out that in the cost allocation method, the funds allocated to the Rail Runner were absent from the entity side of the chart. Although the NCRTD reimburses the Rail Runner, that money still needs to be allocated. A correction for this would go into a new draft of the document.

Mr. Mortillaro suggested that the subcommittee pause after the summary of each example for questions to be asked.

Councilor Wismer noted that the subcommittee was really falling back on what is the definition of regional versus local.

Mr. Mortillaro agreed, but pointed out that under these examples, the amounts fall under what is already considered regional. These are the routes that are being done now.

Councilor Wismer asked if he could continue and explained that the RTD has sanctioned some routes as local, such as the Taos UNM route and a couple of the Espanola routes. He said the NCRTD could return GRT funds to the communities if they were regional, yet we have sanctioned routes that are regional *or* local.

Chairman Caldwell replied that the UNM route can be regional. It is in the Service Plan. Once it is reimbursed, it can be used either way.

Councilor Wismer asked if he could clarify. For example, Espanola has the Riverside route.

The point could not be stretched that it was a regional route. The board has definitions that include regional and local for routes. The question posed to voters was, "Shall there be imposed a regional gross receipts tax in the North Central Regional District?" This board has fully funded local and regional routes. The regional constituents should be allowed to decide regarding the

money that comes back to those communities. We are not doing 100% regional.

Chairman Caldwell explained that that was the purpose of this meeting and the task for the subcommittee.

Councilor Wismer stressed that there needed to be consistency. Los Alamos's position was one of advocating for consistency, so the NCRTD can plan and account in the budget. He went on to say that the board was in some way going to fund local routes either through the GRT or through federal funds. The money that comes back should go to Los Alamos County to be used in any way we choose. Which formula (once we agree), this gets plugged in for re-distributing. If we can solve this issue, we are closer to the regional concept we were created for. That is a part of our history, but now we are all part of a regional system. This is simply what methodology do we use to re-distribute that pool?

The Councilor went on to make clear that he was not criticizing the system. The NCRTD should continue to do what it was called on to do. But "regional" is a misnomer. We should accept that we do local. Los Alamos should be able to do whatever they want with the money.

NCRTD Chairwoman Romero pointed out that now, after three years of growth, there was now criteria to evaluate. We should be looking for efficiencies. The board has made a good crack at the differences between regional and local. "We are close". When it is put into policy, it would become more clear. The Chairwoman explained that the Task Force created to determine definitions for regional versus local has come up with many ideas and has come close to having criteria to incorporate into the service plan.

Councilor Seeds asked, "How long had it been since the City of Santa Fe has had transit?"

Mr. Bulthuis replied that it has been 20 years.

Councilor Seeds said that the City of Santa Fe and Los Alamos County have their systems. That is local within the municipality. Yet Pojoaque has one and that isn't a city. This is unique and new. There is a desire to serve our people.

Chairman Caldwell said that Mr. Mortillaro had more to present and passed the floor to him.

Before doing so, Ms. Lucero wanted to clarify that there was a history regarding the funds and what the money could be used for. She then read Resolution 2009-03, which required accountability for the use of funds. That resolution was passed by the board, so there would be a need to change or rescind the resolution if the subcommittee or board now changed anything.

Mr. Mortillaro continued his presentation, pointing out page five. He stressed that it was a *district* tax, not a city or county tax. It belongs in the district. The taxing entity is the district. The funds go to the county and to DFA and then it gets distributed. Mr. Mortillaro wasn't sure why everyone looked at the tax as it were a county contribution, with each county separate.

Councilor Wismer asked, "The board decides how it gets distributed?"

Mr. Mortillaro answered yes, through the Service Plan.

Councilor Wismer pointed out that the City of Santa Fe has an 86% agreement.
NCRTD Chairwoman Romero replied that the assistant attorney for the city determined that the agreement is only a resolution and that it did not have standing.

Councilor Wismer asked for clarification. "The 86% agreement has a legal standing?"

Ms. Ellis-Green replied that Santa Fe County did have a resolution. She apologized for speaking on behalf of Commissioner Anaya, but she wished to relay that the County does believe they have a standing.

Chairman Caldwell replied that the issue would not be resolved today. The issue was beyond the scope of the subcommittee's meeting. A contractual obligation could only be decided judicially and he did not recommend that the subcommittee and board advise or pursue that action. Chairman Caldwell expressed concern that entities might also be disenfranchised.

Councilor Wismer asked for clarity from Mr. Mortillaro, due to the possibility of conflict in the options presented, specifically concerning the exception from Santa Fe.

Mr. Mortillaro replied that his recommendation advocated regionality. The subcommittee and board would have to reverse the resolution from Santa Fe. The agreement was one way.

Mr. Caldwell offered his legal opinion that it is the board's discretion to allocate GRT funds.

NCRTD Chairwoman Romero reiterated that the process would need to be fair and consistent. The applied methodology would provide for fairness.

Mr. Mortillaro resumed his summary of options for methodology. He pointed out the chart on page 5. Per capita means person and that criterion can be weighted along with vehicle mile cost factor, vehicle hour cost factor, and vehicle fixed cost factor. Under this scenario, the subcommittee would still have to decide what to do about the Rail Runner. Mr. Mortillaro elaborated that this option did not account for any federal funds. The reason that was not included was to be able to provide a consistent overview without the details. An inclusion of some of the details would mean a comparison of apples with oranges, which was premature at this time.

NCRTD Chairwoman Romero clarified that there are other funds left out.

Councilor Wismer pointed out that the obligation to the Rail Runner would need to be paid by this RTD.

Chairwoman Romero replied that there were grant monies that also get applied.

Mr. Mortillaro repeated that that was not a part of this analysis.

Councilor Seeds asked what the amount was.

Mr. Mortillaro replied that it was1.7 million for this fiscal year.

Chairwoman Romero said that this was an anomaly that pertained to just this RTD.

Ms. Ellis-Green responded that it is 50% from Santa Fe County only.

Councilor Wismer asked if that would be put into the collective pool and then taken out?

Mr. Mortillaro replied "Yes."

Commissioner Trujillo asked how that got decided.

NCRTD Chairwoman Romero gave some history of the issue explaining that the Board of county Commissioners wanted to prevent going out twice to the voters for the tax. The City Councilors took the issue to the voters, who understood the tax covered two items, both the RTD and the Rail Runner.

Ms. Lucero added that a Task Force was formed with Santa Fe Commission and there were meetings over the course of four or five months. The agreement that came out of these meetings was a commitment, not a law. It was an internal agreement.

Mr. Valencia said that according to statute, the language had to be the same for all four counties. There could not be different language for the RR.

Chairman Caldwell said that this was a very complicated history, but that the board was now presented with an opportunity for change. He encouraged the new board members to speak with Josette for more information.

Councilor Seeds wished to express his appreciation for Los Alamos for the role they played in creating the RTD because we wouldn't be here today without their support.

Councilor Wismer thanked him and said that it was a good decision. Los Alamos was ready to

move forward but they did not wish to be treated differently. If there is a consolidated budget, it needed to be consistent.

Chairman Caldwell asked if there were any questions.

Mr. Mortillaro wanted to point out that on page six, the percentages in the "weight" column added up to more than 100% and that was intentional for purposes of manipulating and working out numbers.

Chairwoman Romero asked about reserves.

Mr. Mortillaro responded that that was part two of his analysis he was working on. There was

current policy to have 25% of operating budget in reserves (or 2.6 million). That could change. The federal scene could change. There are also unknowns in terms of the LAC contribution. The ten year plan would help to predict and account for those unknowns. The plan would be brought to this committee.

Chairman Caldwell thanked Mr. Mortillaro and stated that the subcommittee had a good start. He once again stressed the need for compromise. The Chairman asked Ms. Lucero if she would like to return to item A.

Ms. Lucero replied that item A. had been under discussion for some time. Staff needed approval from the board to proceed with a budget based on cost allocation. And then for FY 12 we would need to select one of these options to bring a preliminary budget to the March subcommittee.

Chairman Caldwell asked if the subcommittee could recommend item A without item B.

Ms. Lucero responded that they could because item A was simply an accounting principle.

Councilor Seeds said that he too was confused. He thought that the regional concept issue would have to come first.

Chairman Caldwell said that item B. sought to answer both "How do we define regional?" and "How do we allocate our budget?" He then verified that the subcommittee could indeed recommend item A. before item B.

Councilor Wismer stated that he would like to motion to recommend that the staff adopt cost-allocation.

Chairman Caldwell asked for a vote by consent. All those present replied "yea". There were no "nays".

Chairman Caldwell then described the previous work the Task Force had undertaken regarding definitions of regional versus local.

It was decided after some discussion of dates that the topic of regional versus local could be resumed during the regularly scheduled subcommittee meeting. That date would be March 18, 2011. At that time a preliminary budget for FY 12 could be drafted utilizing the cost allocation method of accounting.

Agenda Item C: Status of 2009 Financial Audit

Ms. Muniz stated that the 2009 audit had been completed and submitted. It has not yet been released by the State Auditor's Office, so the findings could not yet be made public. There was not much information that could be released at this time, but Ms. Muniz was able to assure the subcommittee that there were no new findings.

At 11:05, Chairman Caldwell adjourned the meeting.

North Central Regional Transit District
Consolidated Budget/Transit Cost Allocation for Expenditures

After discussion, option #6 appeared to be the most favorable of the Funding Options. Based on the content of the November 12, 2010 Funding Options document, this option would greatly simplify the accounting process for the NCRTD. Page 15 of the document begins with the elimination of the current percentages being provided to Los Alamos and City of Santa Fe. The GRT would be treated as a whole and not split into the four counties. With this being done, we would reduce the number of fund accounts the NCRTD currently uses for revenue. We would have 5311, 5316. Los Alamos Contribution, and GRT, plus any capital fund accounts that must be tracked individually for reporting purposes. By reducing the fund accounts to four it would simplify the daily coding of invoices for payment and reducing staff time. We would need to maintain 5311 and 5316 separately due to the reporting to the DOT on these two grants. The invoicing to the DOT, per the MOA must be actual expenditures. By using a consolidated budget, it would also simplify the use of cost allocation for the expenditures, thus saving staff numerous hours in tracking individual, actual route costs.

The cost allocation method is the same method currently used by Los Alamos and the City of Santa Fe for their invoicing to the NCRTD. With the NCRTD using this method, we would be standardizing how member entities calculate route cost. The cost allocation method can be used monthly or quarterly. Currently Los Alamos and the City of Santa Fe use quarterly calculations. For the purpose of this presentation, the NCRTD submits three monthly reports and one quarterly for review and comment.

By utilizing the monthly method, the NCRTD can track the monthly expenditures of each route for reporting purposes to the Board. Simplified the cost allocation method totals all administrative and operating expenses and divides them into three categories, cost per vehicle hour, cost per vehicle mile and vehicle fixed costs. These total monthly expenditures are divided by the total hours and miles run by all routes, and the fixed cost is divided by the total number of vehicles in the fleet. Each months costs can vary slightly based on the total expenditures and the payment of insurances, legal fees, audit fees, dues and subscriptions, as well as three pay periods twice a year. Other factors that can affect the cost per hour, mile and fixed cost are the number of rider days per month.

February 9, 2011

Going to the attached report for the month of July 2010, the monthly expenditures are reflected in each category for a total of $354,861.75 for the month. Each of the expenditure categories are divided by the respective number of vehicles, number of miles and number of hours for the month.

EXAMPLE: July 2010

The total vehicle hour expenditures $142,011.39 is divided by the total monthly hours of all routes 3,628 resulting in a vehicle hourly cost of $39.14. The vehicle mile expenditures of $40,529.35 is divided by the total number of miles driven by drivers of all routes 68,172 resulting in a cost per mile of .59. The vehicle fixed costs $172,321.01 is divided by the total number of vehicles in the fleet which is 32 resulting in a fixed vehicle cost of $5,385.03. The cost factors then become the monthly standard or constant for each route cost. This is seen on page 2 and 3 of the July 2010 example. As can be seen the total monthly cost for the Questa route for July is $15,736.40 August is $11,843.63, and the September cost is $12,951.24. The quarterly cost for this route is $39,393.28. Keep in mind that these costs are higher then the projected operating costs because these costs include all administrative costs that are not in the operating projections.

By utilizing this cost allocation method, many hours of analysis are simplified saving staff many hours each month. It also provides an accurate method for calculating route costs.

North Central Regional Transit District
Allocated Costs for July, 2010
Based on Actual Expenditures from July 1, 2010 through July 31, 2010

Expense Object Class	Vehicle Hour	Vehicle Mile	Vehicle-Fixed Costs	
TRANSPORTATION EXPENSE				
Driver Wages and Salaries	98,575.24			
Driver Fringe Benefits	43,344.62			
Fuel and Oil		22,605.42		
Tires and Tubes		1,294.44		
Vehicle Insurance			28,478.15	
Vehicle Lease				
Purchased Transportation	91.53			
Other	-			
MAINTENANCE EXPENSE				
Mechanic Wages and Salaries		4,706.40		
Mechanic Fringe Benefits		1,969.95		
Materials and Supplies		4,422.70		
Contracted Maintenance		5,530.44		
Facility Rental				
Utilities			413.94	
Contracted Services				
Other			1,020.00	
CALL TAKING AND DISPATCHING EXPENSE				
Dispatcher Wages and Salaries			3,765.60	
Dispatcher Fringe Benefits			1,788.18	
Telephone Expenses				
Computer Expenses				
Rent				
Other				
ADMINISTRATIVE EXPENSE				
Administrative Salaries			67,983.19	
Administrative Fringe Benefits			24,478.09	
Material and Supplies			866.32	
Non-Vehicle Insurance			32,201.65	
Professional Services			294.25	
Travel			1,557.60	
Office Rental			2,224.56	
Utilities			2,110.46	
Equipment Rental/Service				
Other			5,139.02	
TOTAL OPERATING EXPENSE	142,011.39	40,529.35	172,321.01	354,861.75
Total Vehicles			32	
Total Vehicle Miles		68,172		
Total Vehicle Hours	3,628			
Vehicle Cost Factor			5,385.03	
Vehicle Mile Cost Factor		0.59		
Vehicle Hour Cost Factor	39.14			

Route Costs based on Cost Allocation Method Jul-10

Questa	Cost/Mile	1488	0.59	$877.92	
	Cost Hour	176	39.14	$6,888.64	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$15,736.40
Penasco	Cost/Mile	3828	0.059	$225.85	
	Cost Hour	176	39.14	$6,888.64	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$15,084.34
Taos-Esp	Cost/Mile	6798	0.059	$401.08	
	Cost Hour	220	39.14	$8,610.80	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$16,981.73
Esp-Santa Fe	Cost/Mile	4466	0.59	$2,634.94	
	Cost Hour	198	39.14	$7,749.72	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$18,354.50
Westside	Cost/Mile	2970	0.59	$1,752.30	
	Cost Hour	286	39.14	$11,194.04	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$20,916.18
Riverside	Cost/Mile	3388	0.59	$1,998.92	
	Cost Hour	308	39.14	$12,055.12	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$22,023.88
Tesuque	Cost/Mile	1342	0.59	$791.78	
	Cost Hour	220	39.14	$8,610.80	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$17,372.42
Alcalde	Cost/Mile	3190	0.59	$1,882.10	
	Cost Hour	176	39.14	$6,888.64	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$16,740.58
Esp- LA	Cost/Mile	2814	0.59	$1,660.26	
	Cost Hour	84	39.14	$3,287.76	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$12,917.86
Chimayo	Cost/Mile	3190	0.59	$1,882.10	
	Cost Hour	176	39.14	$6,888.64	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$16,740.58
El Rito	Cost/Mile	7282	0.59	$4,296.38	
	Cost Hour	198	39.14	$7,749.72	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$20,015.94
Santa Clara	Cost/Mile	4642	0.59	$2,738.78	
	Cost Hour	176	39.14	$6,888.64	
	Cost /Vehicle	1.48	5,385.03	$7,969.84	$17,597.26
Pojoaque	Cost/Mile	2596	0.59	$1,531.64	
	Cost Hour	176	39.14	$6,888.64	
	Cost /Vehicle	1.482	5,385.03	$7,980.61	$16,400.89

Demand	Cost/Mile	3476	0.59	$2,050.84		
	Cost Hour	194	39.14	$7,593.16		
	Cost /Vehicle	3.5	5,385.03	$18,847.61	$28,491.61	
Las Trampas	Cost/Mile	4884	0.59	$2,881.56		
	Cost Hour	154	39.14	$6,027.56		
	Cost /Vehicle	1.482	5,385.03	$7,980.61	$16,889.73	
San Ildefonso	Cost/Mile	880	0.59	$519.20		
	Cost Hour	88	39.14	$3,444.32		
	Cost /Vehicle	1.482	5,385.03	$7,980.61	$11,944.13	
Chama	Cost/Mile	3348	0.59	$1,975.32		
	Cost Hour	72	39.14	$2,818.08		
	Cost /Vehicle	1.482	5,385.03	$7,980.61	$12,774.01	
Red River	Cost/Mile	1452	0.56	$813.12		
	Cost Hour	176	39.14	$6,888.64		
	Cost /Vehicle	1.482	5,385.03	$7,980.61	$15,682.37	
Klauer-UNM	Cost/Mile	1584	0.59	$934.56		
	Cost Hour	176	39.14	$6,888.64		
	Cost /Vehicle	1.482	5,385.03	$7,980.61	$15,803.81	
NM 599	Cost/Mile	748	0.59	$441.32		
	Cost Hour	44	39.14	$1,722.16		
	Cost /Vehicle	1.482	5,385.03	$7,980.61	$10,144.09	
Eldorado	Cost/Mile	3806	0.59	$2,245.54		
	Cost Hour	154	39.14	$6,027.56		
	Cost /Vehicle	1.481	5,385.03	$7,975.23	$16,248.33	
						354,861.75
TOTAL					$354,860.70	
			Difference		1.05	
		68172	3628			

North Central Regional Transit District
Allocated Costs for August, 2010
Based on Actual Expenditures from August 1, 2010 through August 31, 2010

Expense Object Class	Vehicle Hour	Vehicle Mile	Vehicle-Fixed Costs	
TRANSPORTATION EXPENSE				
Driver Wages and Salaries	64,806.57			
Driver Fringe Benefits	27,477.54			
Fuel and Oil		25,035.51		
Tires and Tubes		1,929.21		
Vehicle Insurance				
Vehicle Lease				
Purchased Transportation				
Other	96.29			
MAINTENANCE EXPENSE				
Mechanic Wages and Salaries		3,137.60		
Mechanic Fringe Benefits		1,313.30		
Materials and Supplies		1,956.84		
Contracted Maintenance		21,364.98		
Facility Rental				
Utilities			215.80	
Contracted Services				
Other				
CALL TAKING AND DISPATCHING EXPENSE				
Dispatcher Wages and Salaries			2,510.40	
Dispatcher Fringe Benefits			1,192.12	
Telephone Expenses				
Computer Expenses				
Rent				
Other				
ADMINISTRATIVE EXPENSE				
Administrative Salaries			47,117.16	
Administrative Fringe Benefits			16,279.71	
Material and Supplies			2,058.62	
Non-Vehicle Insurance				
Professional Services			10,284.79	
Travel			86.35	
Office Rental			4,449.12	
Utilities			2,475.99	
Equipment Rental/Service			1486.09	
Other			8,961.95	
TOTAL OPERATING EXPENSE	92,380.40	54,737.44	97,118.10	244,235.94
Total Vehicles			32	
Total Vehicle Miles		71,901		
Total Vehicle Hours	3705			
Vehicle Cost Factor			3,034.94	
Vehicle Mile Cost Factor		0.76		
Vehicle Hour Cost Factor	24.93			

Route Costs based on Cost Allocation Method Aug-10

Questa	Cost/Mile	4092	0.76	$3,109.92	
	Cost Hour	176	24.93	$4,387.68	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$11,843.63
Penasco	Cost/Mile	3828	0.76	$2,909.28	
	Cost Hour	176	24.93	$4,387.68	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$11,642.99
Taos-Esp	Cost/Mile	6798	0.76	$5,166.48	
	Cost Hour	220	24.93	$5,484.60	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$14,997.11
Esp-Santa Fe	Cost/Mile	4466	0.76	$3,394.16	
	Cost Hour	198	24.93	$4,936.14	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$12,676.33
Westside	Cost/Mile	2970	0.76	$2,257.20	
	Cost Hour	286	24.93	$7,129.98	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$13,733.21
Riverside	Cost/Mile	3388	0.76	$2,574.88	
	Cost Hour	308	24.93	$7,678.44	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$14,599.35
Tesuque	Cost/Mile	4488	0.76	$3,410.88	
	Cost Hour	220	24.93	$5,484.60	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$13,241.51
Alcalde	Cost/Mile	3190	0.76	$2,424.40	
	Cost Hour	176	24.93	$4,387.68	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$11,158.11
Esp- LA	Cost/Mile	2814	0.76	$2,138.64	
	Cost Hour	88	24.93	$2,193.84	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$8,678.51
Chimayo	Cost/Mile	3190	0.76	$2,424.40	
	Cost Hour	176	24.93	$4,387.68	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$11,158.11
El Rito	Cost/Mile	7282	0.76	$5,534.32	
	Cost Hour	198	24.93	$4,936.14	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$14,816.49
Santa Clara	Cost/Mile	1822	0.76	$1,384.72	
	Cost Hour	176	24.93	$4,387.68	
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$10,118.43

Pojoaque	Cost/Mile	2596	0.76	$1,972.96		
	Cost Hour	176	24.93	$4,387.68		
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$10,706.67	
Demand	Cost/Mile	4275	0.76	$3,249.00		
	Cost Hour	253	24.93	$6,307.29		
	Cost /Vehicle	3.42	3,034.94	$10,379.49	$19,935.78	
Las Trampas	Cost/Mile	4884	0.76	$3,711.84		
	Cost Hour	176	24.93	$4,387.68		
	Cost /Vehicle	1.43	3,034.94	$4,339.96	$12,439.48	
San Ildefonso	Cost/Mile	880	0.76	$668.80		
	Cost Hour	88	24.93	$2,193.84		
	Cost /Vehicle	1.43	3,034.94	$4,339.96	$7,202.60	
Chama	Cost/Mile	3348	0.76	$2,544.48		
	Cost Hour	72	24.93	$1,794.96		
	Cost /Vehicle	1.43	3,034.94	$4,339.96	$8,679.40	
Red River	Cost/Mile	1452	0.76	$1,103.52		
	Cost Hour	176	24.93	$4,387.68		
	Cost /Vehicle	1.431	3,034.94	$4,343.00	$9,834.20	
Klauer-UNM	Cost/Mile	1584	0.76	$1,203.84		
	Cost Hour	168	24.93	$4,188.24		
	Cost /Vehicle	1.432	3,034.94	$4,346.03	$9,738.11	
NM 599	Cost/Mile	748	0.76	$568.48		
	Cost Hour	44	24.93	$1,096.92		
	Cost /Vehicle	1.423	3,034.94	$4,318.72	$5,984.12	
Eldorado	Cost/Mile	3806	0.76	$2,892.56		
	Cost Hour	154	24.93	$3,839.22		
	Cost /Vehicle	1.423	3,034.94	$4,318.72	$11,050.50	
						244,235.94
TOTAL					$244,234.71	
			Difference		1.23	
		3705	71901			

North Central Regional Transit District
Allocated Costs for September, 2010
Based on Actual Expenditures from September 1, 2010 through September 30, 2010

Expense Object Class	Vehicle Hour	Vehicle Mile	Vehicle-Fixed Costs	
TRANSPORTATION EXPENSE				
Driver Wages and Salaries	67,509.86			
Driver Fringe Benefits	27,769.61			
Fuel and Oil		23,527.88		
Tires and Tubes		2,810.90		
Vehicle Insurance				
Vehicle Lease				
Purchased Transportation				
Other	91.90			
MAINTENANCE EXPENSE				
Mechanic Wages and Salaries		3,137.60		
Mechanic Fringe Benefits		1,313.30		
Materials and Supplies		35.00		
Contracted Maintenance		10,467.96		
Facility Rental				
Utilities			439.68	
Contracted Services				
Other			916.94	
CALL TAKING AND DISPATCHING EXPENSE				
Dispatcher Wages and Salaries			2,510.40	
Dispatcher Fringe Benefits			1,192.12	
Telephone Expnses				
Computer Expenses				
Rent				
Other				
ADMINISTRATIVE EXPENSE				
Administrative Salaries			45,733.90	
Administrative Fringe Benefits			17,116.80	
Material and Supplies			11,359.44	
Non-Vehicle Insurance				
Professional Services			28,846.94	
Travel			354.53	
Office Rental			1,900.00	
Utilities			1,875.43	
Equipment Rental/Service			894.13	
Other			42,376.76	
TOTAL OPERATING EXPENSE	95,371.37	41,292.64	155,517.07	292,181.08
Total Vehicles			32	
Total Vehicle Miles		71,671		
Total Vehicle Hours	3709			
Vehicle Cost Factor			4,859.91	
Vehicle Mile Cost Factor		0.58		
Vehicle Hour Cost Factor	25.71			

Route Costs based on Cost Allocation Method Sep-10

Questa	Cost/Mile	3906	0.58	$2,265.48	
	Cost Hour	168	25.71	$4,319.28	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$12,951.24
Penasco	Cost/Mile	3654	0.58	$2,119.32	
	Cost Hour	168	25.71	$4,319.28	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$12,805.08
Taos-Esp	Cost/Mile	6189	0.58	$3,589.62	
	Cost Hour	210	25.71	$5,399.10	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$15,355.20
Esp-Santa Fe	Cost/Mile	4263	0.58	$2,472.54	
	Cost Hour	189	25.71	$4,859.19	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$13,698.21
Westside	Cost/Mile	2835	0.58	$1,644.30	
	Cost Hour	273	25.71	$7,018.83	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$15,029.61
Riverside	Cost/Mile	3234	0.58	$1,875.72	
	Cost Hour	294	25.71	$7,558.74	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$15,800.94
Tesuque	Cost/Mile	4284	0.58	$2,484.72	
	Cost Hour	210	25.71	$5,399.10	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$14,250.30
Alcalde	Cost/Mile	3045	0.58	$1,766.10	
	Cost Hour	168	25.71	$4,319.28	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$12,451.86
Esp- LA	Cost/Mile	2814	0.58	$1,632.12	
	Cost Hour	84	25.71	$2,159.64	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$10,158.24
Chimayo	Cost/Mile	3045	0.58	$1,766.10	
	Cost Hour	168	25.71	$4,319.28	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$12,451.86
El Rito	Cost/Mile	6951	0.58	$4,031.58	
	Cost Hour	189	25.71	$4,859.19	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$15,257.25
Santa Clara	Cost/Mile	4431	0.58	$2,569.98	
	Cost Hour	168	25.71	$4,319.28	
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$13,255.74

Pojoaque	Cost/Mile	944	0.58	$547.52		
	Cost Hour	168	25.71	$4,319.28		
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$11,233.28	
Demand	Cost/Mile	2094	0.58	$1,214.52		
	Cost Hour	134	25.71	$3,445.14		
	Cost /Vehicle	2.32	4,859.91	$11,274.99	$15,934.65	
Demand-Pojo	Cost/Mile	3887	0.58	$2,254.46		
	Cost Hour	248	25.71	$6,376.08		
	Cost /Vehicle	3.32	4,859.91	$16,134.90	$24,765.44	
Las Trampas	Cost/Mile	4662	0.58	$2,703.96		
	Cost Hour	168	25.71	$4,319.28		
	Cost /Vehicle	1.31	4,859.91	$6,366.48	$13,389.72	
San Ildefonso	Cost/Mile	840	0.58	$487.20		
	Cost Hour	84	25.71	$2,159.64		
	Cost /Vehicle	1.321	4,859.91	$6,419.94	$9,066.78	
Chama	Cost/Mile	3348	0.58	$1,941.84		
	Cost Hour	72	25.71	$1,851.12		
	Cost /Vehicle	1.321	4,859.91	$6,419.94	$10,212.90	
Red River	Cost/Mile	1386	0.58	$803.88		
	Cost Hour	168	25.71	$4,319.28		
	Cost /Vehicle	1.332	4,859.91	$6,473.40	$11,596.56	
Klauer-UNM	Cost/Mile	1512	0.58	$876.96		
	Cost Hour	168	25.71	$4,319.28		
	Cost /Vehicle	1.332	4,859.91	$6,473.40	$11,669.64	
NM 599	Cost/Mile	714	0.58	$414.12		
	Cost Hour	42	25.71	$1,079.82		
	Cost /Vehicle	1.33	4,859.91	$6,463.68	$7,957.62	
Eldorado	Cost/Mile	3633	0.58	$2,107.14		
	Cost Hour	168	25.71	$4,319.28		
	Cost /Vehicle	1.33	4,859.91	$6,463.68	$12,890.10	
						292,181.08
					$292,182.25	
			Difference		1.17	
		71671	3709			

North Central Regional Transit District
Allocated Costs for 1st Quarter
Based on Actual Expenditures from July 1, 2010 through September 30, 2010

Expense Object Class	Vehicle Hour	Vehicle Mile	Vehicle-Fixed Costs	
TRANSPORTATION EXPENSE				
Driver Wages and Salaries	230,891.67			
Driver Fringe Benefits	98,591.77			
Fuel and Oil		71,168.81		
Tires and Tubes		6,034.55		
Vehicle Insurance			28,478.15	
Vehicle Lease				
Purchased Transportation				
Other	279.72			
MAINTENANCE EXPENSE				
Mechanic Wages and Salaries		10,981.60		
Mechanic Fringe Benefits		4,596.55		
Materials and Supplies		6,414.54		
Contracted Maintenance		37,363.38		
Facility Rental				
Utilities			1,069.42	
Contracted Services				
Other			1,936.94	
CALL TAKING AND DISPATCHING EXPENSE				
Dispatcher Wages and Salaries			8,786.40	
Dispatcher Fringe Benefits			4,172.42	
Telephone Expenses				
Computer Expenses				
Rent				
Other				
ADMINISTRATIVE EXPENSE				
Administrative Salaries			160,834.25	
Administrative Fringe Benefits			57,874.60	
Material and Supplies			14,284.38	
Non-Vehicle Insurance			32,201.65	
Professional Services			39,425.98	
Travel			1,998.48	
Office Rental			8,573.68	
Utilities			6,461.88	
Equipment Rental/Service			2,380.22	
Other			56,477.73	
TOTAL OPERATING EXPENSE	329,763.16	136,559.43	424,956.18	891,278.77
Total Vehicles			32	
Total Vehicle Miles		211,744		
Total Vehicle Hours	11,042			
Vehicle Cost Factor			13,279.88	
Vehicle Mile Cost Factor		0.64		
Vehicle Hour Cost Factor	29.86			

Route Costs based on Cost Allocation Method Quarterly

Questa	Cost/Mile	9,486	0.64	$6,071.04	
	Cost Hour	520	29.86	$15,527.20	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$39,393.28
Penasco	Cost/Mile	11,310	0.64	$7,238.40	
	Cost Hour	520	29.86	$15,527.20	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$40,560.64
Taos-Esp	Cost/Mile	19785	0.64	$12,662.40	
	Cost Hour	650	29.86	$19,409.00	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$49,866.44
Esp-Santa Fe	Cost/Mile	13194	0.64	$8,444.16	
	Cost Hour	585	29.86	$17,468.10	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$43,707.30
Westside	Cost/Mile	8775	0.64	$5,616.00	
	Cost Hour	845	29.86	$25,231.70	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$48,642.74
Riverside	Cost/Mile	10010	0.64	$6,406.40	
	Cost Hour	910	29.86	$27,172.60	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$51,374.04
Tesuque	Cost/Mile	10114	0.64	$6,472.96	
	Cost Hour	650	29.86	$19,409.00	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$43,677.00
Alcalde	Cost/Mile	9425	0.64	$6,032.00	
	Cost Hour	520	29.86	$15,527.20	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$39,354.24
Esp- LA	Cost/Mile	8577	0.64	$5,489.28	
	Cost Hour	256	29.86	$7,644.16	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$30,928.48
Chimayo	Cost/Mile	9425	0.64	$6,032.00	
	Cost Hour	520	29.86	$15,527.20	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$39,354.24
El Rito	Cost/Mile	21515	0.64	$13,769.60	
	Cost Hour	585	29.86	$17,468.10	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$49,032.74
Santa Clara	Cost/Mile	10761	0.64	$6,887.04	
	Cost Hour	520	29.86	$15,527.20	
	Cost /Vehicle	1.34	13,279.88	$17,795.04	$40,209.28

Pojoaque	Cost/Mile	6136	0.64	$3,927.04		
	Cost Hour	520	29.86	$15,527.20		
	Cost /Vehicle	1.4	13,279.88	$18,591.83	$38,046.07	
Demand	Cost/Mile	9845	0.64	$6,300.80		
	Cost Hour	581	29.86	$17,348.66		
	Cost /Vehicle	2.34	13,279.88	$31,074.92	$54,724.38	
Demand-Pojo	Cost/Mile	3887	0.64	$2,487.68		
	Cost Hour	248	29.86	$7,405.28		
	Cost /Vehicle	2.35	13,279.88	$31,207.72	$41,100.68	
Las Trampas	Cost/Mile	14430	0.64	$9,235.20		
	Cost Hour	498	29.86	$14,870.28		
	Cost /Vehicle	1.41	13,279.88	$18,724.63	$42,830.11	
San Ildefonso	Cost/Mile	2600	0.64	$1,664.00		
	Cost Hour	260	29.86	$7,763.60		
	Cost /Vehicle	1.421	13,279.88	$18,870.71	$28,298.31	
Chama	Cost/Mile	10044	0.64	$6,428.16		
	Cost Hour	216	29.86	$6,449.76		
	Cost /Vehicle	1.41	13,279.88	$18,724.63	$31,602.55	
Red River	Cost/Mile	4290	0.64	$2,745.60		
	Cost Hour	520	29.86	$15,527.20		
	Cost /Vehicle	1.41	13,279.88	$18,724.63	$36,997.43	
Klauer-UNM	Cost/Mile	4680	0.64	$2,995.20		
	Cost Hour	512	29.86	$15,288.32		
	Cost /Vehicle	1.411	13,279.88	$18,737.91	$37,021.43	
NM 599	Cost/Mile	2210	0.64	$1,414.40		
	Cost Hour	130	29.86	$3,881.80		
	Cost /Vehicle	1.42	13,279.88	$18,857.43	$24,153.63	
Eldorado	Cost/Mile	11245	0.64	$7,196.80		
	Cost Hour	476	29.86	$14,213.36		
	Cost /Vehicle	1.43	13,279.88	$18,990.23	$40,400.39	
						891,278.77
TOTAL		211,744	11042		$891,275.39	
			Difference		3.38	

Draft – not for public dissemination

Funding Allocation- Near Term

The North Central Regional Transit District (NCRTD) since May 2010 has been discussing and reviewing various options related to the accounting methodology of tracking existing funding and its allocation to each of its members accounts and routes. The bulk of the discussion that has taken place has focused on the need to revise the methodology by which financial resources are categorized and subsequently accounted for by the RTD Finance staff. The current methodology has proved to be time consuming and of minimal value to the RTD and to its members. The staff has had to track operating costs down to the route level. The Boards Finance and Regional Coordination and Consolidation Subcommittee (Finance Subcommittee) reviewed this matter and agreed that it would be an operational process improvement if the current accounting methodology would be modified to a cost allocation method that is based on a percentage of the costs related to miles operated, hours operated and cost per vehicle. This method and process is one that is used by both the City of Santa Fe and Los Alamos County. The Finance Subcommittee at their November 19, 2010 meeting concurred with this change in methodology. The process for accounting for how funds are expended and tracked for routes is a procedural process and should not be a policy matter. This change is one that although reviewed and recommended by the Finance Subcommittee, does not necessitate Board approval. It is suggested that in the future, procedural and operational processes not be brought forward to the Finance Subcommittee or the Board to ensure a clear separation of policy from operational decision-making.

One of the main policy discussions that was tangentially related to this topic and was not addressed by the Finance Subcommittee relates to the concept of the consolidation of funding sources and their allocation. It was also the Subcommittee's desire that this topic be addressed as part of the discussion related to the definition of what is regional versus local service and use of NCRTD GRT to the funding of services provided within the District.

The RTD was the first Regional Transit District formed after passage of SB 34 by the New Mexico State Legislature in 2003, which authorized the formation of Regional Transit Districts (RTDs), and subsequently in September 2004, the New Mexico Department of Transportation (NMDOT) as the first RTD in New Mexico recognized the NCRTD. Additionally, the NM Legislature in March 2004 provided RTD's the ability to pass up to ½ of one cent gross receipts taxation by positive referendum to assist in funding public transportation. This initiative and direction began with the adoption of Resolution 2007-17 by the NCRTD Board. The RTD went out for a $1/8^{th}$ increment election, which was expected to generate $8 million annually. The GRT election in November 2008 was passed by the voters in the four county area served by the RTD along with an associated 15 year sunset clause. If the existing GRT is found inadequate to

provide for the delivery of services, it may be augmented by submitting a new question for additional GRT increments for funding of NCRTD in the future. Since commencing the collection of the NCRTD GRT and because of the national recession, the estimated revenue collection of $8 million per year has not materialized. The amount that has been collected in FY 09 was $7,056,657.29 (12 months) and FY 11 is projected at $6,879,792.00 (which was based on a conservation budget projection due to the declining GRT receipts in Santa Fe, Taos and Rio Arriba Counties with the exception of Los Alamos County whose GRT receipts have continued to increase).

Currently, all funding sources such as the Los Alamos Contribution ($1.1 million), NCRTD GRT ($6.8 million) and other federal funding sources ($2.4 million) are accounted for in the budget as separate line items, which are appropriate and in line with accepted accounting practices. However, when they are accounted for in their distribution they have been listed as a line item allocation in the expenditure budget. The reason for having them listed as a line-item expenditure is so that they can be tracked for accounting purposes. The current allocations of the NCRTD GRT as listed in the FY11 budget are as follows; Rail Runner ($1.7 million), City of Santa Fe ($952,000), Los Alamos County ($1.6 million). These budget numbers also reflect the commitment of the NCRTD through an agreement with the Mid-Region Council of Governments (MRCOG representing the counties of Bernalillo, Valencia, Torrance and Sandoval) which manages the Rail Runner to provide 50% of the GRT generated in Santa Fe County approximately $1.7 million per year for its operations. The Santa Fe amount reflects the 86% agreed to by resolution with the County of Santa Fe in annual funding. The remaining 14% of the GRT generated from Santa Fe County is retained by the RTD for its administrative costs. There was no formal agreement or resolution adopted by the Board in relation to the amount of funds to be returned to Los Alamos County from the NCRTD GRT. However, public communication materials that were prepared by the RTD during the 2008 NCRTD GRT election did not indicate that a certain percentage of this revenue would return to Los Alamos County for future service expansion. This material did allude to a percentage allocation to Santa Fe and the Rail Runner. The problem in respect to the current methodology employed to track the allocation of these funds generates the perspective that these funds have been committed on a percentage basis for the term of the NCRTD GRT. However, the larger policy question at hand relates to whether such a practice continues to foster parochialism rather than moving the RTD towards its original legislative intent.

It appears from a general discussion among the participants at the Finance Committee that abolishing the current method of allocation of NCRTD GRT funds would foster the transition towards the true meaning of a regional transit system. It would allow the allocation of the pool of funds except for the contractually required Rail Runner funding to be pooled and then redistributed towards the service plans that were adopted by the Board. These adopted service plans although presented to the Board for adoption should be more than just a cursory function. The Staff of the NCRTD should review these plans in detail and ensure that the routes that are

funded are truly regional in nature and align with the spirit and intent of the RTD legislation. However, moving towards such a methodology will require that the City of Santa Fe and Santa Fe County willingly acquiesce to such a methodology since the current distribution method is represented within a resolution adopted by the NCRTD Board providing for such. Likewise, Los Alamos County may need to cease its efforts to acquire an agreement that memorializes a commitment of 83% funding, which reflects the current redistribution of funds to the County. If the RTD is to represent a true, regional entity it will be important that the budget be driven by the service plans that the Board has adopted and dispose of its current allocation methodology. To arrive at a allocation methodology so that the pooled resources can be redistributed it would require that a number of different measures be used such as those mentioned earlier and those listed below.

- Service miles
- Passengers
- Service Hours
- Population
- Routes that meet the definition of regional
- NCRTD GRT generated within the jurisdiction on a per capita basis

It would not be unusual to employ a combination of measures and weight them differently so that they are equitable and efficient. In addition, other adjustments may need to be considered since the size of the service area may influence the strict application of service miles. A methodology that the participants can agree upon should be the goal.

Since the NCRTD, the City of Santa Fe and Los Alamos County have agreed upon a cost allocation methodology, this process can be the basis of a simplified mechanism. Under such a methodology, the NCRTD GRT funds would be distributed to the entities that operate their own eligible regional service routes based upon a standard cost basis for the service. The cost reimbursement would be based upon the same dollar value versus the current method of providing a simple percentage of the NCRTD GRT to each of the three entities. As an example, in the most current reiteration of the cost allocations and reimbursements from each entity for the quarter ending September 2010, the following figures were generated:

Average Cost Allocation Method

Entity	Hourly Cost Factor	Mileage Cost Factor	Vehicle Cost Factor/mo
NCRTD	$29.86/hr	0.64 cents per mile	$4,426/vehicle
Santa Fe	$56.71	$1.37	$3,179
Los Alamos	$49.41	0.78	$7,544
Average	$45.33	0.93	$5,050

The NCRTD could use the average for these factors as the amount to arrive at a system average unit cost factor, which would then be used as reimbursement to Santa Fe, Los Alamos and the NCRTD rather than the current percentage method, which has no factual basis behind it as a method.

The reimbursement for each entity based upon this method would be as follows:

	NCRTD	Santa Fe	Los Alamos
Hourly Cost Factor	$2,015,372	$445,231	$368,080
Mileage Cost Factor	$802,415	$143,045	$211,716
Vehicle Fixed Cost Factor	$1,878,600	$213,312	$581,760
Total Reimbursement	$4,696,387.00	$801,588.00	$1,161,556.00
Total cost (not including RR)	$6,664,735		
Rail Runner Obligation	1,774,344		
Federal Funds Needed	($1,559,287)		
FY 11 GRT Revenue Budget	$6,879,792		

*Requires the allocation of Federal Funds received by NCRTD to make up deficiency

The end result of this method is that Santa Fe would receive $801,588 versus the current amount of $952,775. Los Alamos County would receive $1,161,556 rather the current allocation of $1,660,000, which is $498,444 less. The NCRTD would receive $4,696,387 which is $2,203,714 more than their current amount of $2,492,673. Under this scenario the funding allocation for the Rail Runner has not been addressed, which amounts to $1,774,344. It is suggested that this obligation be taken out of the NCRTD's allocation, which would reduce their funding amount to $2,922,043 therefore leaving the NCRTD with an additional $492,370. All of these funds are placed in a consolidated budget and re-distributed based upon a reimbursement request and the approved cost allocation factor method.

Another method to calculate a redistribution of funds from the NCRTD for regional routes in Santa Fe and Los Alamos County is to calculate the revenue on per capita basis. This per capita basis of revenue is then used to cover the reimbursement cost request submitted per the cost allocation factor.

Revenue per Capita Average Allocation Method

Entity	Population	NCRTD GRT $$	Per Capita	Adjusted Revenues
Taos	31,507	817,092	$25.93	1,057,060
Rio Arriba	40,678	621,111	15.27	1,364,747
Santa Fe	129,292	3,937,599	30.46	4,337,747
Los Alamos	18,343	2,000,000	109.03	615,408
Total	219,820	7,375,802	33.55	7,374,962

This approach calculates a per capita revenue figure that would then be available to be re-distributed to Santa Fe along with the subtraction of the Rail Runner obligation leaving a balance for Santa Fe regional services of $2,563,403 which is $1,610,628 more than the current allocation of $952,775. Los Alamos County would receive $615,408 for their costs related to providing routes that are regional in nature and adopted in the service plan of the NCRTD. This amount is $1,044,592 less than they will receive in FY 11. The RTD in FY 11 was budgeted to retain $2,492,673 in GRT funds and under this method the RTD will receive $2,421,807 which is $70,866 less. All of these funds are placed in a consolidated budget and re-distributed based on a reimbursement request and the approved cost allocation factor method.

The above method can be modified so that a weight of 50% is given to population and 50% to service hours. Based upon this method the following would be the outcome:

Revenue per Capita and Service Costs Allocation Method- Weighted

Entity	Pop	NCRTD GRT $$	Per Capita	Adjusted Revenues	Weighted Revenues (50%)	Weighted Annual Fixed Vehicle Costs (50%)	Adjusted Reimbursement
Taos	31,507	$817,092	$25.93	$1,057,060	$528,530	$424,928	$953,458
Rio Arriba	40,678	621,111	15.27	1,364,747	682,373	424,928	1,107,301
Santa Fe (incl's RR)	129,292	3,937,599	30.46	4,337,747	2,168,873	67,161	2,236,034
Los Alamos	18,343	2,000,000	109.03	615,408	307,704	434,534	742,238
Total	219,820	$7,375,802.00	33.55	$7,374,962.00	$3,687,480.00	$1,351,551.00	$5,039,031.00

*Does not account for federal funds received by NCRTD as an offset to use of NCRTD GRT for routes

This revised and weighted approach calculates a per capita revenue figure and service hours cost amount that would then be available to be re-distributed to Santa Fe for regional services in them amount of $2,236,034 which is $1,283,259 more than the current allocation of $952,775. The Rail Runner allocation is $1,774,344 therefore Santa Fe will be $491,085 short of meeting this

obligation. Los Alamos County would receive $742,238 for their costs related to routes that are regional in nature and adopted in the service plan of the NCRTD. This amount is $917,762 less than they will receive in FY 11. The RTD in FY 11 was budgeted to retain $2,492,673 in GRT funds and under this method the RTD will receive $2,060,759 which is $431,914 less. All of these funds are placed in a consolidated budget and re-distributed based on a reimbursement request and the approved cost allocation factor method. However, the budgeted amount of funds anticipated were $6,879,792. Therefore, a balance of $1,840,761 remains undistributed.

An alternative approach is for further weighting of criteria based upon the following:

Weighted Cost Allocation Factors Method

Measure	Weight	Santa Fe (129,292)	Los Alamos (18,343)	RTD (Taos and Rio Arriba County) (71,169)	
Population	50%	64,646	9,171	35,584	
Vehicle Mile Cost Factor	25%	$1.37	$0.78	0.64	0.70
Vehicle Hour Cost Factor	25%	$56.71	$49.41	$29.86	11.33
Vehicle Fixed Cost Factor/month	15%	$3,179	$7,544	$4,426	$757
Per Capita Revenue	NA				$33.55 Av.
Average Revenue Per Capita $33.55 x weighted population		$2,168,873	$307,687	$1,193,843	
Vehicle Mile Cost Average (.70) x miles/year		153,812 x .70= $107,668	227,652 miles x .70 = $159,356	862,812 miles X .70= $603,968	
Vehicle Hour Cost Average ($11.33) x hours/year		9,822 x $11.33= $112,283	8,120 x $11.33 = $91,999	44,460 x $11.33= $503,731	
Vehicle Fixed Cost Average ($757) x vehicles x 12 months		3.52x$757X12=$31,976	9.6 x$757x12= $87,206	31 x $757x12=$281,604	
Total funds $5,654,112		$2,420,800	$646,248	$2,583,146	

* Does not account for federal funds received by NCRTD as an offset to use of NCRTD GRT for routes

In this example, Santa Fe will receive $2,420,800 which is $1,468,025 more than they currently receive for regional services. This amount would be allocated to the Rail Runner obligation of $1,774,344. However, it will be deficient by $306,319. Los Alamos would receive $646,248 for

their costs related to regional routes. This amount is $1,013,752 less than the FY 11 distribution they will receive. The RTD will receive $2,583,146 which is $91,062 more than the budgeted amount of $2,492,673 in FY 11. All of these funds are placed in a consolidated budget and re-distributed based on a reimbursement request and the approved cost allocation factor method. However, the budgeted amount of funds anticipated were $6,879,792. Therefore, a balance of $1,225,680 remains undistributed.

Overall, a simple model approach links costs to benefits in a less precise manner than a more complicated method. However, they are generally preferred because the benefits of simpler, transparent, and more straightforward are typically viewed as more imperative than increasing the degree of accuracy at the expense of administrative cost and complexity. Methods that are more transparent and easily explained to the public should be the objective. When participants have specific issues that they want addressed then the only way to do so is to devise more complex methods that usually don't align well with the underlying premise of a regional entity or provide solutions that have no strong nexus to an apolitical approach.

The redistribution methods proposed should represent a starting point to continue the discussion among the members of the RTD on the feasibility and potential of studying this further to implement some sort of methodology to distribute the NCRTD GRT funds for approved regional services on an agreed to basis. The policy decision should be related to the method, the measures to be used to redistribute the funds equitably and efficiently, and the weight factors to use if combined measures are used. Once a method is chosen, it should not be changed unless persuasive facts are provided that would compel such. Furthermore, under some of the examples there is the potential of undistributed funds, it should not be the practice or policy that routes be added by any entity in order to utilize the remainder of the funds. It should be made abundantly clear that only routes that meet the definition of regional routes will be considered and that the approval of those regional routes lays solely with the NCRTD Board. And the likelihood that reoccurring revenues will be available in the long-term for these new routes.

One of these methods should be selected and incorporated as part of the FY 12 budget development process.

Eventually it should be the goal of the NCRTD Board to study and seek a full consolidation of all service providers into the NCRTD. More discussion this topic follows. However, until that approach is fully studied, one of these methodologies should be sufficient to as an agreed upon method to provide funding for approved regional services.